

Legislative Memorandum from:



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**OPPOSING THE FOLLOWING LEGISLATION
HB Number 6608**

This bill would drastically re-write section 16-247 of the General Statutes and force the DPUC to create new, detailed service standards for some, but not all, telecommunications services providers in Connecticut. The measure would also mandate significant financial penalties for failing to meet the new proposed standards.

Verizon opposes this measure and respectfully requests that the committee reject this proposal. This legislation ignores the existence of pervasive telecommunications competition in Connecticut and its pro-consumer benefits. The proposed legislation also assumes that a heavy-handed regulatory scheme will better serve consumers in lieu of a freely competitive market place that spurs growth, innovation, and creativity.

The telecommunications industry has undergone significant changes over the past several years. Technological advances have resulted in increased consumer choice and a fiercely competitive market for telecommunications services. Telephone, cable, wireless, and Internet providers all vie for the same customer base. A direct result of this convergence has been a decrease in Verizon's market share. At the same time, Verizon has responded by undertaking an ambitious project to upgrade its network with fiber optics technology across the country. The project will cost billions to construct, create thousands of new jobs created, and provide Verizon's workforce with the most up-to-date training in the field of communications. Those who believe differently fail to recognize the communications revolution that is sweeping the country despite a downturn in the overall economy.

Competition, not government regulation, is the best means of assuring that providers provide good service at good prices. As with any other product or service, if a consumer is not satisfied with the quality of the service they receive, they have the most effective tool at their disposal to assure improved service quality from their provider—they can take their business elsewhere. Connecticut has long recognized the benefits of competition in disciplining market participants; the proposed legislation would be a major retreat after many years of pro-competitive telecommunications policies.

Further, the proposed legislation creates an asymmetrical regulatory model whereby some but not all providers are subject to its requirements, thereby imposing potential costs on only some competitors. As unregulated companies continuously solicit Verizon's current customers, the need to differentiate our service offerings from those of

our competitors has never been more important. To think that Verizon or any business would respond to intense competition by offering an inferior product or service is erroneous. The goal of any business is to provide a better product at the most affordable price that provides the greatest value to the consumer. This is because customers can, and will, leave to go to a better provider of service. The availability of competitive choices and the ability to change a provider is more incentive than any penalty, credit, or rebate that could be ordered by the State. Enactment of this legislation would only increase Verizon's costs of doing business in Connecticut, without any corresponding public benefits.

There is no need for this legislation. The current quality of service standards adopted by the DPUC in 2000 and the competitive nature of the telecommunications industry are more than sufficient to monitor the service quality of telephone companies and certified telecommunications providers.

We therefore respectfully urge the defeat of this bill.